



Civil Resolution Tribunal

Date Issued: June 14, 2024

File: SC-2023-000222

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Westcoast Appliance Centre 2014 Ltd. v. Moneris Solutions Corporation Corporation Solutions Moneris, 2024 BCCRT 550*

B E T W E E N :

WESTCOAST APPLIANCE CENTRE 2014 LTD.

APPLICANT

A N D :

MONERIS SOLUTIONS CORPORATION CORPORATION
SOLUTIONS MONERIS and VISA CANADA
CORPORATION/CORPORATION VISA CANADA

RESPONDENTS

REASONS FOR DECISION

Tribunal Member:

David Jiang

INTRODUCTION

1. The applicant, Westcoast Appliance Centre 2014 Ltd. (Westcoast), says the respondents, Moneris Solutions Corporation Corporation Solutions Moneris (Moneris) and Visa Canada Corporation/Corporation Visa Canada (Visa)

unreasonably refused to reverse a chargeback initiated by a third party, JG. Westcoast withdrew its claims against JG and is not a party to this dispute. Westcoast claims \$3,956.92 as compensation.

2. The respondents disagree. They say that Visa appropriately directed Moneris to charge back the amount to Westcoast and Moneris was bound to do so. They also say that Westcoast asked Visa for a final determination on the chargeback, and Visa appropriately decided the chargeback was valid. Moneris says Visa's decision binds both Moneris and Westcoast, though Westcoast is free to claim against JG. The respondents also rely on a limitation of liability clause.
3. Westcoast's owner represents it. Moneris' employee represents both respondents.
4. For the reasons that follow, I dismiss Westcoast's claims.

JURISDICTION AND PROCEDURE

5. These are the formal written reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over small claims brought under section 118 of the *Civil Resolution Tribunal Act* (CRTA). Section 2 of the CRTA states that the CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the CRT must apply principles of law and fairness, and recognize any relationships between the dispute's parties that will likely continue after the CRT process has ended.
6. Section 39 of the CRTA says the CRT has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. Here, I find that I am properly able to assess and weigh the documentary evidence and submissions before me. Further, bearing in mind the CRT's mandate that includes proportionality and a speedy resolution of disputes, I find that an oral hearing is not necessary in the interests of justice.

7. Section 42 of the CRTA says the CRT may accept as evidence information that it considers relevant, necessary, and appropriate, whether or not the information would be admissible in court.
8. Where permitted by section 118 of the CRTA, in resolving this dispute the CRT may order a party to do or stop doing something, pay money or make an order that includes any terms or conditions the CRT considers appropriate.

Westcoast's Late Submissions

9. Westcoast provided further submissions after the time to do had expired. They address the respondents' reply submissions. While I have considered these late submissions, they ultimately do not affect my decision. So, I find unnecessary to share them with the respondents for further comment.

ISSUE

10. The issue in this dispute is whether any of the respondents are liable for the claimed chargeback amount.

BACKGROUND, EVIDENCE AND ANALYSIS

11. In a civil proceeding like this one, the applicants must prove their claims on a balance of probabilities. I have read all the parties' submissions and evidence but refer only to the evidence and argument that I find relevant to provide context for my decision.
12. On November 13, 2020, JG purchased appliances from Westcoast totaling \$6,044.09. JG used a Visa credit card issued by his bank. The respondents refer to this as the card issuer in submissions and evidence, so I will use this term.
13. Moneris provided an undisputed description of its role in such transactions. It says, and I accept, that it serves as a conduit between the card issuer bank and merchants like Westcoast. It processes and settles credit and debit card transactions in

accordance with “Card Brand Rules and Regulations” (rules) established by Visa and other card brands.

14. Around February 2021, JG called its card issuer to ask for a chargeback. The call is in evidence in both audio and transcribed format. JG alleged that Westcoast failed to deliver the purchased appliances. The card issuer reversed the transaction. It debited Moneris for the disputed amount and credited JG’s credit card account for the same amount. Moneris in turn debited the disputed amount from Westcoast’s account.
15. Moneris advised Westcoast of the chargeback and debit from Westcoast’s account in a February 13, 2021 letter. It said that Westcoast could dispute the chargeback by providing documents to Moneris.
16. It is undisputed that Moneris in turn forwarded these documents to the card issuer. The card issuer and JG disagreed that the chargeback was inappropriate. It is also undisputed that, under the rules, Moneris presented the documents next to Visa for final arbitration.
17. In a May 26, 2021 letter, Visa said it had decided in favour of JG and JG’s card issuer. Visa said that Westcoast and failed to provide sufficient evidence that JG had received the appliances. In a May 31, 2021 letter, Moneris said that given Visa’s ruling it would leave the debit on Westcoast’s account.
18. Westcoast provided various documents and photos from a police file and emails from Crown counsel named CC. They show that JG did in fact receive the appliances. The police arrested JG and seized the appliances from JG’s property in June 2021. Crown counsel started criminal proceedings. They stayed proceedings when JG paid \$6,044.09 to the card issuer on September 7, 2022. This is shown in a check and bank slip. There is no indication that Moneris or Visa have the funds. The police file indicates that JG later picked up the appliances from the police around November 2022.

19. I note that the claim amount of \$3,956.92 is less than the chargeback of \$6,044.09 shown in the documents. The evidence and submissions do not explain the discrepancy.

Are any of the respondents liable for the claimed chargeback amount?

20. Westcoast says it provided the respondents documents to show proof of delivery. It says that the respondents facilitated fraud by JG.

21. The respondents say that Westcoast is bound by a contract with Moneris to accept Visa's decision. It says that Westcoast's remedy, if any, is to claim against JG. It cites the non-binding decision of *West Coast Appliance Centre 2014 Ltd. v. Moneris Solutions Corporation et al*, 2019 BCCRT 1279 in support of its position.

22. I find the reasoning in *West Coast Appliance Centre 2014 Ltd.* applicable. As was the case in that decision, Westcoast signed a Card Acceptance Form (CAF) with Moneris dated December 1, 2014, and updated on May 17, 2018. The CAF incorporated terms and conditions that together form the merchant agreement. These documents are in evidence, and it is undisputed that the merchant agreement is binding on Westcoast.

23. Section 5 of the merchant agreement addresses chargebacks. It says what happens if a cardholder like JG disputes any transaction or if a transaction is charged back for any other reason. In that case, in accordance with the rules, Moneris may reverse the payment by debiting the disputed amount from Westcoast's bank account. The merchant agreement says Westcoast is responsible for all chargebacks and acknowledges that Moneris does not decide which transactions result in a chargeback. Instead, Visa decides the dispute in accordance with the rules. To dispute a chargeback, Westcoast must supply supporting documents to Moneris. Moneris will then attempt to obtain a reversal or adjustment of the chargeback by presenting the documents to the card issuer.

24. The documents show that Westcoast provided documents to Moneris to dispute the chargeback of \$6,044.09. It is also undisputed that Moneris provided these documents to the card issuer for arbitration. Visa's May 2021 letter shows the

arbitrator ultimately did not find it proven that Westcoast delivered the appliances at the time. The documents indicate this is because the delivery person did not obtain JG's signature at the time of delivery. Moneris noted that this was a final decision, and the case was "now considered closed".

25. I find that, as was the case in *West Coast*, Westcoast and Moneris were bound by Visa's chargeback decision. As Westcoast was unsuccessful, Moneris had no obligation to reverse the chargeback.
26. I also find that Westcoast's allegation of fraud facilitation is essentially a disagreement with Visa's ruling. I find that the CRT lacks jurisdiction to review arbitration rulings like this one. The CRT reached the same decision in *West Coast*.
27. I would add that, on the evidence before me, by paying their card issuer, JG seemingly paid themselves. I have no doubt this is a frustrating situation for Westcoast. While I considered a claim for unjust enrichment, I am unable to order such a remedy because it is clear the respondents do not have the money.
28. I note that Visa's ruling says that it does not restrict Westcoast from pursuing other remedies against JG. For whatever reason, Westcoast withdrew its claim against JG earlier in this proceeding. There is no indication that Westcoast cannot also pursue a claim against the card issuer. I make no findings about whether such claims would be successful. In any event, as Moneris and Visa did not breach any obligation to Westcoast, I must dismiss Westcoast's claim.
29. Under section 49 of the CRTA and CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. I see no reason in this case not to follow that general rule. I dismiss Westcoast's claim for reimbursement of CRT fees. The parties did not claim any specific dispute-related expenses.

ORDER

30. I dismiss Westcoast's claims and this dispute.

David Jiang, Tribunal Member